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C O N F I D E N T I A L BEIJING 006159

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E.O. 12958: DECL: 09/19/2017 TAGS: <u>PREL PGOV EAID CH ZI XA</u>

SUBJECT: SETTING THE RECORD STRAIGHT: CHINESE AID TO

ZIMBABWE

Classified By: Classified By: Political Minister Counselor Aubrey Carlson. Reasons 1.4 (b/d).

11. (C) Summary: China's aid policy toward Zimbabwe has not changed, and the current spate of reports regarding Chinese aid to Zimbabwe are all the result of a misunderstanding, MFA Zimbabwe Desk Officer Wang Xiao told PolOff September 19. The rumors re-ignited following a September 18 press conference (septel), in which PRC Special Envoy for Darfur Liu Guijin noted the inefficiency of development aid to Zimbabwe because of the economic situation there. In recent meetings with us, German and Canadian Embassy colleagues agreed that it is unlikely that China has shifted its aid policy significantly. End Summary.

RUMORS IN THE WAKE OF MALLOCH-BROWN

12. (U) The rumor that the PRC would cut all assistance to Zimbabwe except humanitarian aid first surfaced on August 31, during British Minister for Africa and Asia Lord Malloch-Brown's visit to China, following his meeting with Special Envoy for Darfur Liu Guijin. The Chinese Embassy in Zimbabwe was first to deny these rumors, stating that they were "simply not true," according to press reports. The rumor was revived during a September 18 press conference (septel) held by Liu Guijin following his recent trip to the United States, when a reporter asked about any shifts in aid policy toward Zimbabwe.

LIU GUIJIN: DEVELOPMENT AID TO ZIMBABWE IS INEFFICIENT

13. (U) Liu Guijin's response to the reporter, given via simultaneous interpreter, was as follows: "I haven't really followed the situation. But as far as I know, in recent days, China's assistance to Zimbabwe is mainly humanitarian, because in terms of development assistance, we still have some difficulties. In the past, China has provided substantial development assistance to Zimbabwe but now, as the devaluation of the currency and the deterioration of the situation there, the efficiency of the assistance is not very good, so I don't think there are any major projects that are underway." This response led to a press report that China has "turned its back" on Mugabe (see www.timesonline.co.uk).

MFA: THIS IS ALL A MISUNDERSTANDING

14. (U) Wang Xiao, the Zimbabwe Desk Officer at the Chinese MFA, told PolOff September 19 that all of the current hype is occurring because of "a misunderstanding" that first took place during Malloch-Brown's visit. When asked if there were any changes in policy to Zimbabwe, she responded that the policy is "exactly the same as before." When asked if China

continues to provide development aid to Zimbabwe, she repeated that the policy toward Zimbabwe has not changed.

Canadian and German EmbOff Comments

15. (C) A Canadian EmbOff commented to us recently thatwhile China miht be attempting to change the ituation in Zimbabwe through subtle diplomati maneuvers, cutting off development aid as a eans of instigating change would be a radical deviation from China's current aid policies in Africa. A German colleague likewise recently agreed that Chinese aid policy in Africa had not likely changed significantly. Randt